

**FOX • ROTHSCHILD<sub>LLP</sub>**

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December 5, 2003

**VIA FACSIMILE AND FEDERAL EXPRESS**

Mr. Joseph Delloiacovo  
Managing Member  
Sanitec Group, LLC  
23 Fairfield Place  
West Caldwell, NJ 07006

**Re: Security Agreement by and between  
Sanitec Group, LLC and Platinum Funding Corp.,  
dated March 1, 2002**

Dear Mr. Delloiacovo:

We represent Sanitec Industries, Inc. ("Sanitec"). By agreement dated November 24, 2003, Sanitec has assumed all of Platinum Funding Corp.'s ("Platinum") rights under a certain Security Agreement dated March 1, 2002 (the "Security Agreement") between Platinum and Sanitec Group, LLC ("Group").

As you are aware, paragraph 10(a)(i) of the Security Agreement states, in part, that:

If breach or default shall be made in the due performance or observance of any provision of this Agreement and such breach or default shall continue for a period of 5 days after written notice thereof shall have been received by the Company from Platinum; . . . (Each of the foregoing being hereinafter referred to as a "Default"), then upon the occurrence of any such Default or at any time or times thereafter, unless such Default shall have been cured within any applicable grace period, or waived in writing by Platinum, Platinum shall have all of the rights and remedies of a

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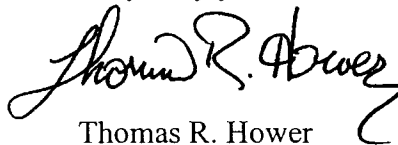
secured party under the Uniform Commercial Code and shall have full power and authority to sell or otherwise dispose of the Collateral or any part thereof.

Pursuant to paragraph 19 of the Security Agreement, you are hereby notified that a breach or default by Group has occurred under the Security Agreement through Group's failure, *inter alia*, to pay its obligations to Platinum under paragraph 2 of the Security Agreement, which states in pertinent part that:

(a) Any and all obligations of the Company under the Account Agreements (but not the payment of the Accounts Receivables purchased pursuant thereto) or under any other agreement or instrument executed and delivered pursuant thereto; and (b) Any and all other liabilities and obligations of every kind and nature whatsoever of the Company to Platinum, whether such liabilities and obligations be direct or indirect, absolute or contingent, secured or unsecured, now existing or hereafter arising or acquired, due or to become due.

You are also hereby notified that, if such breach or default continues for a period of five (5) days after the date of this written notice, it will constitute a "Default" under paragraph 10 of the Security Agreement and that Sanitec will take and has instructed us to take on its behalf, all appropriate actions available to it under the Security Agreement, or otherwise, without any further notice to you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas R. Hower", with a stylized flourish at the end.

Thomas R. Hower

TRH:bp